GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4768
ANSWERED ON:23.05.2006
TEXTILE EXPORT
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Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has made any review on textile export;

(b) if so, the outcome thereof;

(c) the target set for export of textiles and ready-made clothes separately during the last three years and achievements made thereon;

(d) the details of item-wise export of garments, cotton fabrics, cotton and synthetic yarn during the last three years, year-wise;

(e) the expected export of textile for the current year;

(f) the reasons for insignificant export of synthetic textiles including yarn despite availability of cheap labour in India; and

(g) the remedial steps taken/proposed to be taken by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a)&(b): Yes, Sir. The Government reviews and monitors the textile exports on a regular basis, and takes suitable measures in the interest of promoting textile exports.

(c): The targets assigned to Textile Export Promotion Councils and achievements of export of textiles, including ready-made garments, during the last three years are as under:-

(In US$ Billion)

	2003-04 Target	2003-04 Achievement	2004-05 Target	2004-05 Achievement	2005-06 Target	2005-06 Achievement (April-Jan., 06)
Readymade garments	6.25	5.78	6.00	5.50	6.45	6.23
Total Textiles	16.31	13.496	15.16	13.038	15.565	13.80

Source:- Directorate General of Commercial Intelligence & Statistics, Kolkata.

(d) Item-wise export of garments, cotton fabrics, cotton and synthetic yarn during the last three years, year-wise are as follows:-

(In US$ Million)

	2003-04	2004-05	2005-06 (April-Sept,05)
Readymade garments	5786.00	5500.00	6233.00
Cotton fabrics	1012.68	927.73	414.52
Cotton yarn	1270.68	1144.58	566.46
Synthetic yarn	556.51	605.62	270.66

Source:- TEXPROCIL/SRTEPC/ DGCI&S.

(e): As per DGCI&S provisional data, exports of textile during the financial year 2005-06 were US$ 17.007 billion (approximately). Textile exports target of US$ 19.73 billion for the year 2006-07 has been assigned to Textile Export Promotion Councils.

(f): The main reasons for insignificant exports of synthetic textiles including yarns inter alia include stiff competition in the global

market, high prices of petroleum and consequent high prices of raw material for MMF textile etc.

(g) Government has been taking a number of steps to boost exports of textile items from the country so as to achieve the export target. Some of the important initiatives taken are:

i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

ii) Readymade garments, hosiery and knitwear have been de-reserved from the SSI sector.

iii) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made fibres and filament yarns, the whole value addition chain has been given excise exemption option.

iv) The Technology Upgradation Fund Scheme (TUFS) has been in operation since 1999 to facilitate the modernization and technological upgradation of the sector.

v) To augment the availability of quality raw material at a competitive price, the Government launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernisation of ginning & pressing sector.

vi) With the objectives of imparting a focused thrust to set up apparel units of international standards and upgrading infrastructure facilities at important textile centres, the Government had launched the Apparel Park for Exports Scheme (APES), and Textile Centre Infrastructure Development Scheme (TCIDS). Under these two schemes 30 projects have been sanctioned with an estimated support from Government of India of Rs. 462.21 Crore. However, after reviewing the implementation of these two schemes, a new scheme, namely, Scheme for Integrated Textile Parks has been launched by merging the two schemes. This scheme is based on Public-Private Partnership (PPP), and would equip the industry with world-class infrastructure facilities for setting up their textile units to meet international environmental and social standards. Government of India's support under the scheme by way of grant or equity shall be limited to 40% of the project cost, subject to a ceiling of Rs. 40 Crore. So far nine (9) projects have been sanctioned at an estimated cost of Rs. 873.07 Crore including Government of India's share of Rs. 304.32 Crore.